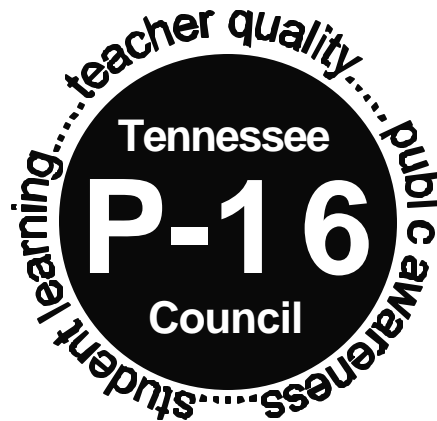
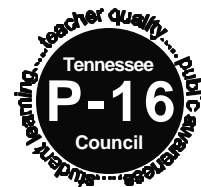


Why P-16?
*The Benefits of Creating A
Seamless Educational System*



The Gateway to the Middle Class

“When Americans reflect on their hopes and desires for themselves and their families, they consistently talk about the familiar ideals of "the American dream": a decent-paying job, a home, a secure retirement, and the promise of a better life for their children. To most Americans today, a college education for their children is an essential part of this vision. More than eight out of ten Americans say that having a college degree is important to getting ahead and that a college education has become as important as a high school diploma used to be. A college education, in other words, is now seen as essential to achieving a comfortable middle-class lifestyle” (Callan 2002).



The Condition of Education in Tennessee

- The increased demand for education will place great stress on higher education in the 2000's.
- Tennessee's budgetary problems have resulted in a shifting financial structure for higher education.
- Pronounced limitations in fiscal resources have placed restrictions on higher education, thereby creating significant access barriers for many segments of the state's population.
- The debt burden of undergraduate students has increased precipitously during the past decade.
- Educational attainment levels in Tennessee trail regional averages and impede economic flexibility.



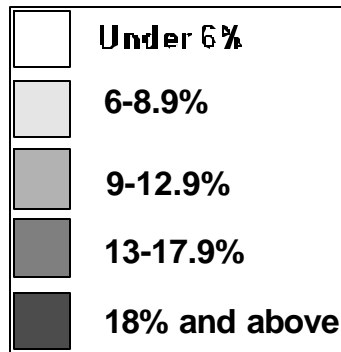
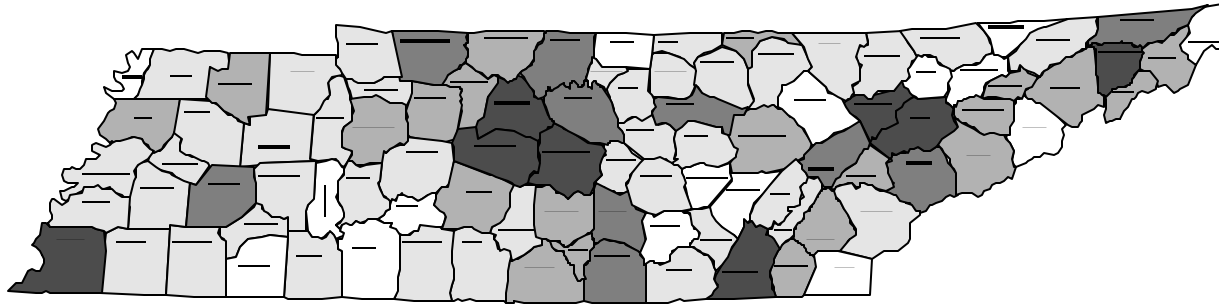
Educational Attainment among SREB States

Percentage of Population 25 or Older with a Bachelor's Degree (2000 Full Census)					
	1990	1995	1999	2000	% Change
United States	20.3%	23.0%	25.2%	25.2%	4.9%
SREB States	18.6%	19.9%	21.7%	21.7%	3.1%
Alabama	15.7%	17.3%	21.8%	19.0%	3.3%
Arkansas	13.3%	14.2%	17.3%	16.7%	3.4%
Delaware	21.4%	22.9%	24.0%	25.0%	3.6%
Florida	18.3%	22.1%	21.6%	22.3%	4.0%
Georgia	19.6%	22.7%	21.5%	24.3%	4.7%
Kentucky	13.6%	19.3%	19.8%	17.1%	3.5%
Louisiana	16.1%	20.1%	20.7%	18.7%	2.6%
Maryland	26.5%	26.4%	34.7%	31.4%	4.9%
Mississippi	14.7%	17.6%	19.2%	16.9%	2.2%
North Carolina	17.4%	20.6%	23.9%	22.5%	5.1%
Oklahoma	17.8%	19.1%	23.7%	20.3%	2.5%
South Carolina	16.6%	18.2%	20.9%	20.4%	3.8%
Tennessee	16.0%	17.8%	17.7%	19.6%	3.6%
Texas	20.3%	22.0%	24.4%	23.2%	2.9%
Virginia	24.5%	26.0%	31.6%	29.5%	5.0%
West Virginia	12.3%	12.7%	17.9%	14.8%	2.5%

TN ranked 10th in the SREB in 2000, an increase of one position over 1990.

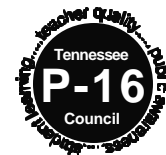


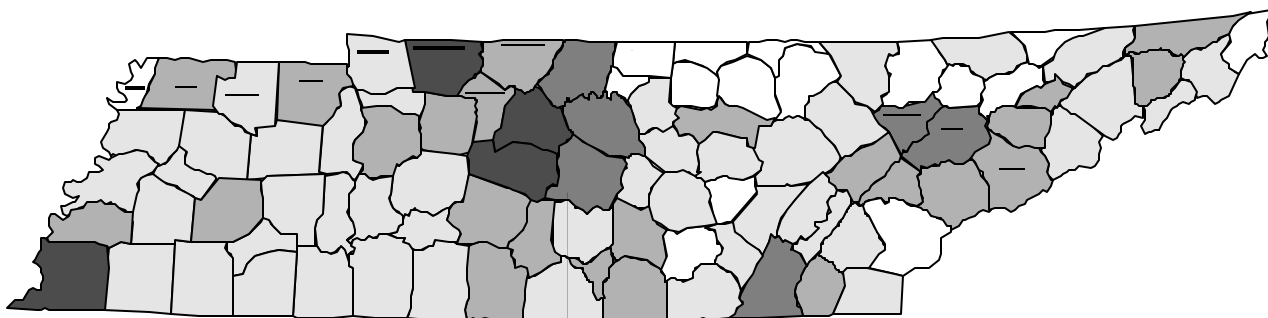
Percent of Population with a Bachelor's Degree - 2000



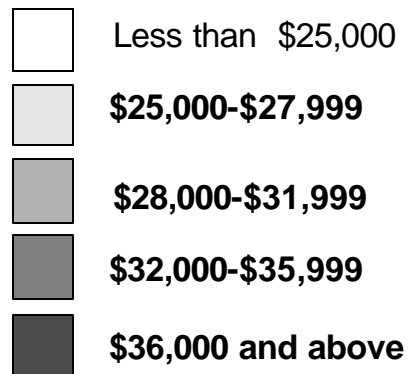
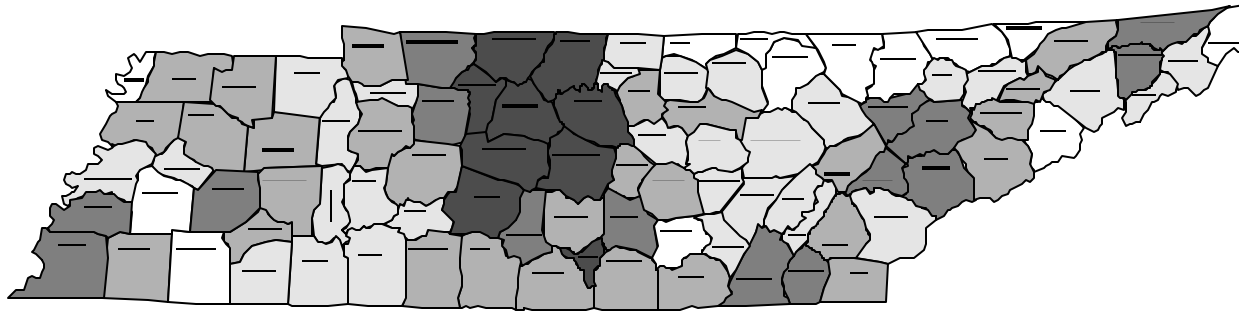
Average for Tennessee in 2000: 19.6%

Average for U.S. in 2000: 24.4%





Median Household Income - 2000

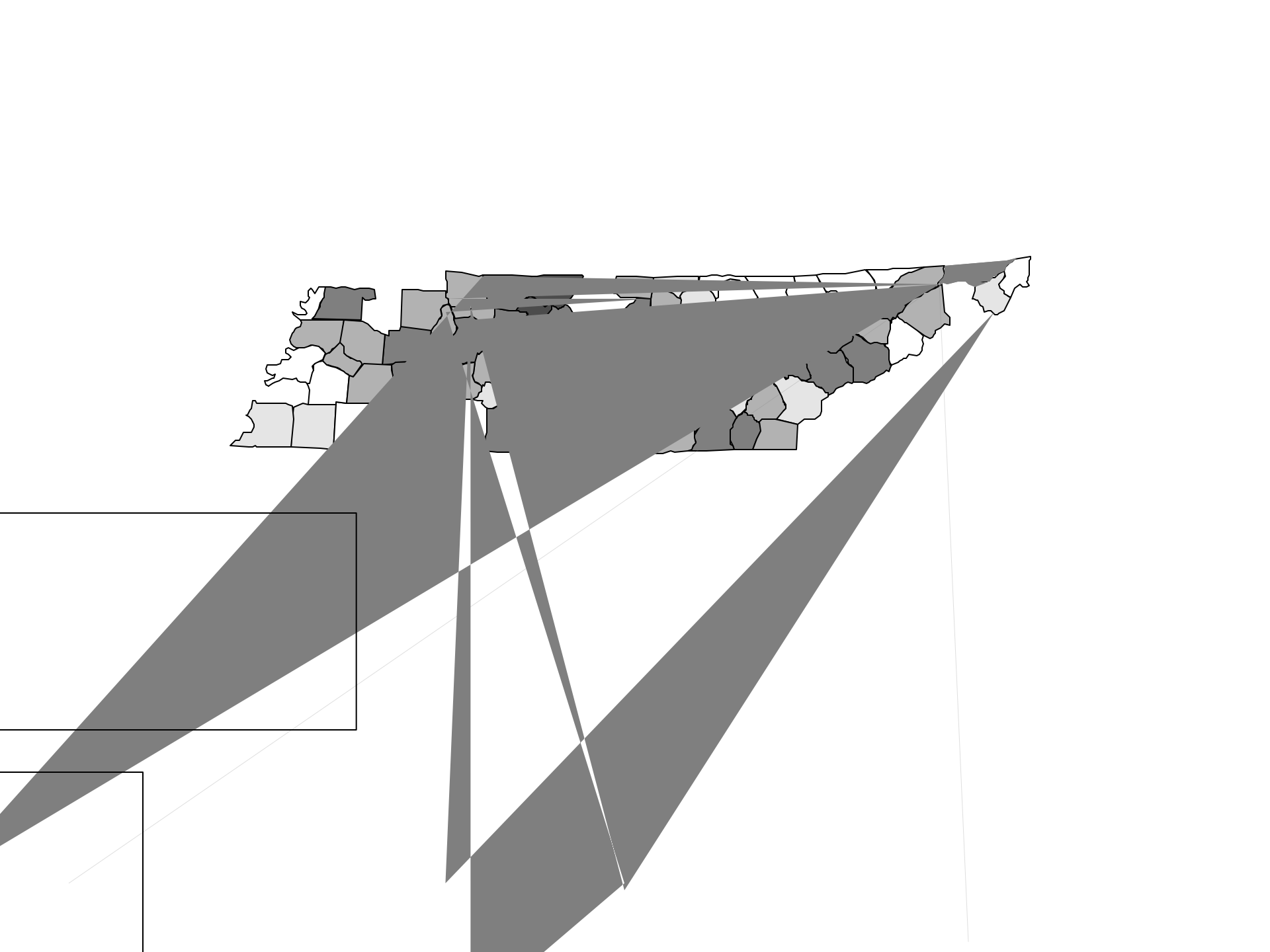


Median Household Income for
State of Tennessee, 2000

\$34,188

U.S. Average: \$42,148





The Progressive Policy Institute - New Economies Index

STATES BY RANK					
Rank 2002	Score 2002	State	Rank 1999	Score 1999	Rank Change
1	90	Massachusetts	1	82.3	0
2	86.2	Washington	4	69	2
3	85.5	California	2	74.3	-1
4	84.3	Colorado	3	72.3	-1
5	75.6	Maryland	11	59.2	6
8	72.1	Virginia	12	58.8	4
9	70.5	Delaware	9	59.9	0
14	67.6	Texas	17	52.3	3
18	62.7	Florida	20	50.8	2
22	60.1	Georgia	25	46.6	3
26	57.5	NC	30	45.2	4
34	54.1	Oklahoma	40	38.6	6
39	52.2	Tennessee	31	45.1	-8
41	51.1	SC	38	39.7	-3
42	48.6	Kentucky	39	39.4	-3
45	45.9	Louisiana	47	28.2	2
47	45.3	Alabama	44	32.3	-3
48	41.7	Arkansas	49	26.2	1
49	40.9	Mississippi	50	22.6	1
50	40.7	West Virginia	48	26.8	-2

- TN rank declines by 8 in three years
- Historically, the economies of states such as TN depend on natural resources, or on mass production manufacturing, and rely on low production costs rather than innovative capacity, to gain a competitive advantage.
- Innovative capacity (derived through universities, R&D investments, scientists and engineers, and entrepreneurial drive) is increasingly what drives competitive success in the New Economy.

Per Capita Personal Income

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>5year Increase</u>
Tennessee	\$21,462	\$22,032	\$22,821	\$24,106	\$24,722	\$25,878	\$4,416
% Increase		2.66%	3.58%	5.63%	2.56%	4.68%	20.58%
U.S.	\$23,272	\$24,286	\$25,427	\$26,909	\$27,859	\$29,451	\$6,179
% Increase		4.36%	4.70%	5.83%	3.53%	5.71%	26.55%
S.E.Aggr.	\$21,165	\$22,056	\$23,004	\$24,258	\$24,940	\$26,179	\$5,014
% increase		4.21%	4.30%	5.45%	2.81%	4.97%	23.69%
TN Income as a % of US income	92.2%	90.7%	89.8%	89.6%	88.7%	87.9%	
Rank Among 50 states	30th	31st	34th	34th	34th	35th	

Source: US Bureau of Economic Analysis

